Special purpose vehicle to finance infrastructure projects

127. SHRI RAMA MUNI REDDY SIRIGIREDDY:
SHRI MURLI DEORA:
SHRI K. RAMA MOHANA RAO:

Will the Minister of FINANCE be pleased to state:

(a) whether the proposal to form a Special Purpose Vehicle to fuel infrastructure was mooted in the 2005-06 Budget; and

(b) if so, the details thereof and by when, it is likely to be set up?

THE MINISTER OF STATE IN THE MINISTRY OF FINANCE (SHRI S.S. PALANIMANICKAM): (a) Yes Sir,

(b) As per the Budget announcements the Special Purpose Vehicle (SPV) would lend funds, especially debt of longer term maturity to the eligible projects to supplement other loans from banks and financial institutions. The SPV would raise resource from the market and its borrowing would be guaranteed by the Government, with the borrowing limit set at the beginning of each fiscal year. The borrowing limit for the current fiscal year has been fixed at Rs. 10,000 crore.

Slow down of economy

128. SHRI C. RAMACHANDRAIAH:
SHRI MANOJ BHATTACHARYA:

Will the Minister of FINANCE be pleased to state:

(a) whether the Prime Minister's Economic Advisory Council has cautioned Government that the economy was slowing down and is likely to register a lower growth rate this year;

(b) if so, the details thereof and what is Government's reaction thereto; and

(c) whether Government have any proposal for appropriate intervention with some fresh policy initiatives so as to boost up the growth rate and if so, details thereof?

THE MINISTER OF STATE IN THE MINISTRY OF FINANCE (SHRI S.S. PALANIMANICKAM): (a) The Prime Minister's Economic